

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0136
Expires July 31, 2010

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: DRILL REENTER

1b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

2. Name of Operator: **GUNNISON ENERGY CORPORATION** Contact: **PATTY JOHNSON**
 Email: **patty.johnson@oxbow.com**

3a. Address: **1801 BROADWAY SUITE 1200 DENVER, CO 80202**

3b. Phone No. (include area code)
 Ph: **303-296-4222**
 Fx: **303-296-4555**

4. Location of Well (Report location clearly and in accordance with any State requirements. *)
 At surface **SWNE 1488FNL 2739FWL 39.017458 N Lat, 107.377611 W Lon**
 At proposed prod. zone **SESW 440FSL 1750FWL 39.006903 N Lat, 107.359519 W Lon**

14. Distance in miles and direction from nearest town or post office*
APPROXIMATELY 8 MILES SW TO SOMERSET, CO

15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
1903'

16. No. of Acres in Lease
1075.00

18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.
BHL IS 5870' FROM HOTCHKISS 18-22D

19. Proposed Depth
**13266 MD
7125 TVD**

21. Elevations (Show whether DF, KB, RT, GL, etc.)
7342 GL

22. Approximate date work will start
05/01/2012

CONFIDENTIAL

5. Lease Serial No.
COC65106

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.
COC74489X

8. Lease Name and Well No.
DGU HOTCHKISS FEDERAL 1289 #18-H2

9. API Well No.

10. Field and Pool, or Exploratory
EXPLORATORY AREA

11. Sec., T., R., M., or Blk. and Survey or Area
Sec 18 T12S R89W Mer 6PM

12. County or Parish
GUNNISON COUNTY

13. State
CO

17. Spacing Unit dedicated to this well

20. BLM/BIA Bond No. on file
CO-1428

23. Estimated duration
60 DAYS

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|--|--|
| <ul style="list-style-type: none"> 1. Well plat certified by a registered surveyor. 2. A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | <ul style="list-style-type: none"> 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). 5. Operator certification 6. Such other site specific information and/or plans as may be required by the authorized officer. |
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25. Signature (Electronic Submission)	Name (Printed/Typed) NEIL W. ALLEN Ph: 303-296-4222	Date 11/18/2011
Title OPERATIONS MANAGER		
Approved by (Signature)	Name (Printed/Typed)	Date
Title	Office	

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
 Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

**Electronic Submission #123608 verified by the BLM Well Information System
For GUNNISON ENERGY CORPORATION, sent to the Durango**

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Additional Operator Remarks:

Gunnison Energy Corporation proposes to drill two horizontal wells from the same well pad...Section 18-T12S-R89W. An APD for other well is also submitted at this time (DGU Hotchkiss Federal 1289 #18-H1).